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Testimony of Mr. Metodija A. Koloski, the Co-Founder and President of United Macedonian Diaspora, as submitted to the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs:

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Chairwoman Granger, Ranking Member Congresswoman Lowey, and Members of the Subcommittee on State, Foreign Operations, and Related Programs:

Thank you very much for the opportunity to submit written testimony to your Subcommittee on behalf of the United Macedonian Diaspora (UMD), the voice of our nation's close to half a million Americans of Macedonian heritage. The Macedonian-American community is largely based in Michigan, Ohio, Indiana, Illinois, New York, New Jersey, Pennsylvania, with pockets in Arizona, California, and Florida, among other locations.

With the release of President Obama's proposed FY 2016 budget, the Republic of Macedonia is expected to receive \$11,300,000.00 in foreign aid from the United States, a dramatic decrease from \$27.5 million in FY 2011, \$19.5 million in FY 2012, \$16.5 million in FY 2013, \$11.5 million in FY 2014, and \$11.7 million in FY 2015. The Macedonian-American community is very concerned that the level of funding being offered to Macedonia does not accurately reflect the close relationship between the two allies, especially given the strategic partnership agreement signed in May 2008 urging enhanced political, military, economic, and people-to-people ties.

Since formally recognizing Macedonia's independence in 1994, the United States has spurred tremendous development and growth in the country, providing over \$1 billion in foreign aid. This has helped Macedonia to overcome the economic legacy of a command economy, and the after-effects of Greece's three-year economic embargo, which Macedonia is still feeling the effects of after twenty years.

Of the most important aspects of this aid has been in the educational sector. As a result of past USAID projects, a new teacher certification program has been enacted, which requires in-class experience before being granted certification, thus moving away from attendance-based certification. USAID provided over 6,000 computers to all primary and secondary schools in Macedonia, giving students an opportunity to gain experience with this necessary modern technology. As a result of these innovations, Macedonian teachers were awarded with the European Grand Prix for innovation in computer-assisted learning, at Microsoft's Innovative Education Forum in 2011. Much work remains to be done, however, especially in the ethnic integration of schools, improving youth employability, and education issues in the Roma community. Another project of note is the USAID Equal Access for Equal Opportunities, which

provides assistive technologies for over 20 primary scholars in Macedonia so their students with disabilities can develop cognitive and motor skills through the use of specially adapted IT peripherals or software, and have better access to education opportunities.

USAID has also been active sponsor of the Macedonia Connects program. This program has resulted in the provision of broadband internet connectivity to almost 550 elementary and secondary schools, research institutions, and universities, allowing Macedonia to become the first all-wireless internet country in the world. The outcome of this has been lower cost internet for Macedonians, increased internet penetration, and an increased integration of the ICT sector in Macedonia. In 2005, as a result of USAID, Macedonia became the first fully wireless, or Wi-Fi, connected country in the world.

Funding from projects has also been used to improve the status of women and minorities in Macedonia. Due to USAID programs, women have seen their opportunities to succeed increase dramatically. From business reforms to the introduction of micro-financing, new doors have been opened to close both gender and ethnicity divides. Projects in the areas of economic growth, democracy and local government, education and anti-trafficking reforms have all seen the condition of minorities and women improve greatly. Macedonia is currently ranked tier 1 by the State Department's Human Trafficking Report. More needs to be done in regards to participation of women in local government, especially at the mayoral level.

In order for development to continue, business development is a necessary precursor. Business development had long been hindered in Macedonia due to the presence of the Yugoslav command economy, and the three-year long Greek economic embargo in the 90s, which caused unemployment to skyrocket to 70 percent. Numerous projects are ongoing in this area, and successes of past projects can be seen in Macedonia's growing economy and decreasing unemployment rates to about 27% at the moment. Currently, USAID projects are improving competitiveness, creating investment development, introducing agribusiness technology, enhancing microfinance development, and eliminating barriers to start businesses. These projects are vital to ensuring the future of Macedonia's development. For instance, due to funding from USAID projects, a profitable scrap recycling industry has developed in Macedonia, a tool company has used financing projects to expand its market share, and food safety standards have been improved across the board.

Macedonia has been recognized by the World Bank, and the European Union has an economic reformer, and according to the Heritage Foundation/Wall Street Journal 2014 Index of Economic Freedom, Macedonia's economic freedom score is 68.6, making its economy the 43rd freest in the 2014 Index and is ranked 20th out of 43 countries in the Europe region, and its overall score is above the world and regional averages.

One of the biggest drivers of economic growth in Southeastern Europe has been tourism. Here too, aid money is of great importance. Aid allows for the improvement of domestic infrastructure networks, as well as the improvement of existing structures. Aid money has proved vital in the improvement of roads, as well as the modernization of Skopje's international airport. In addition to these improvements, aid money can be used to foster key sectors of the tourism market. For example, Macedonia is known for its bountiful harvests and venerable

wine-making industry. Aid money has been vital in allowing this sector of the tourism and food industry to flourish. Another example, the Bovin Winery has been able to expand its oak-aging facilities and modernize the technology it uses to increase production. In 2005, USAID helped to establish Macedonia's first National Tourism Portal, <http://www.exploringmacedonia.com>.

Improving rule of law and the judicial system is another necessary precondition for continued growth. USAID has funded projects implementing judicial reform, strengthening civil society, and modernizing the Macedonian judicial system, while ensuring implementation of program to allow for citizenship for Macedonia's Roma population. However, work remains in the areas of improving the functioning of the judicial branch, increasing transparency, fighting corruption, and improving the functioning of Parliament. Until these reforms are enacted, the progress that Macedonia has made will be incomplete.

As one of its first Parliamentary actions, Macedonia confirmed its desire to attain NATO membership. Macedonia has worked hard to complete the domestic reforms necessary for membership, and has demonstrated its firm commitment to the Alliance. Macedonia has hosted the logistics support center for the KFOR mission in Kosovo, and has provided the fifth most troops per capita to the ISAF mission in Afghanistan. This would not have been possible without the continued assistance of the United States. Aid money has driven military reforms forward, and partnership with the Vermont National Guard has allowed the Macedonian Army to be better-trained and better-equipped on the battlefield. In 2010, Macedonian troops were embedded within a Vermont National Guard deployment to Afghanistan – the first such joint deployment between the U.S. and a non-NATO member country in the history of the U.S. military. Military reforms have been impressive, and Macedonia's 7,000 strong Army has received praise from numerous United States military commanders. The importance of aid in this process should not be underestimated. Without contributions from the United States, Macedonia would still be lagging. As it is, Macedonia has completed all requirements for membership, and we hope the country will be invited to join the Alliance without further delay, especially in light of the current situation in Ukraine. As the situation in Ukraine continues to degrade, Russia has been exerting increased influence in the Balkans via Greece, Serbia, and Montenegro. A recent CEPA article explained how the stall in NATO enlargement is playing right into Vladimir Putin's hands, by destabilizing the Balkans and leaving people frustrated with the west looking east for guidance. The timing is critical for the U.S. to reinforce its leadership and support in the region so that the \$1 billion in prior investment does not go in vain. The International Court of Justice (ICJ) in December 2011 in its final judgment, without possibility for appeal, and binding on the parties, found that Greece, by objecting to the admission of Macedonia to NATO during the 2008 Bucharest Summit, has breached its obligation under Article 11, of the United Nations Interim Accord of September 13, 1995.

As has been evidenced by these success stories, aid has been a vital part of Macedonia's development and growth. Macedonia has promoted stability in the region, and worked diligently in spreading security in the world. Macedonia has been a staunch ally of the United States, and it is time for the United States to remember the contributions of its allies. It is only with restored aid, that Macedonia will continue its progress, and transition to a stage of innovation-led growth. Thanks to the support of the U.S., Macedonia has become a beacon of democracy in Southeast Europe, a role model for the region, and we believe further U.S. support will help U.S. interests

in Southeast Europe. This will ensure a Europe, whole, free, and at peace, and very importantly political and socio-economic stability for Macedonia and Southeast Europe.

Funding for Voice of America

The FY 2016 proposed budget would eliminate the Voice of America program in Macedonia completely. Macedonia has been facing a decline in freedom of speech and press from both internal and external pressures. Several independent media have been closed, while state-owned media that express a bias for the ruling party have remained open. Externally, Russia is perfecting an asymmetric brand of warfare by buying press outlets, and paying off or intimidating public officials in the Balkans. Without independent and trustworthy media like VOA, Macedonia will be heavily skewed by eastern propaganda and crony news stations. This type of action would send a misleading message to Macedonia by giving the impression that ties are being cut and ending an important arm of communication. Essentially, we believe this decision will hold a negative impact on the relationships between Macedonia and the United States.

In Macedonia, 98% of its inhabitants use television as their top media provider on a weekly basis. Of this group, the VOA program reaches 28.2% of the population, while Radio Free Europe reaches only 4.6% exemplifying the influence that the United States holds over the region in comparison to Europe. If the United States cuts this program now, its influence will surely decline in an age where American soft power is already experiencing a severe decline.

It is important to remember the significance that these countries hold towards U.S. interests within the region, and to keep in mind the severity of the impact of cutting Voice of America programs could have on the views and opinions of these countries' populations. The United States has positioned itself as a country that concerns itself with the interests and safety of other states. As you know, Macedonia has played an important role in supporting U.S. interests within the Balkan region time and again. Macedonia has assisted the United States in key missions including in Kosovo, Operation Iraqi Freedom, and with ISAF, Afghanistan. It has also worked tirelessly to promote the ideals of democracy to its neighboring countries and expand the sphere of influence the U.S. has within the area; therefore, it needs to maintain a strong and connected image to the rest of the world, through public diplomacy tools such as Voice of America. These actions directly violate this mission, and spread a hypocritical view of the U.S. While Voice of America is decreasing its presence, Al Jazeera, Russia Today, and other foreign media outlets are filling the void.

We implore you to reconsider withdrawing this crucial Voice of America program, in order to protect U.S. interests and relations with these countries. Taking two steps back to move one-step forward only cause the U.S. to distance itself from the soft power role, which has been nourished by the reciprocated positive public opinion in these countries. Once this power has been starved it can no longer be rejuvenated, so please keep these factors in consideration.

The United Macedonian Diaspora (UMD) is a leading international non-governmental organization promoting the interest and needs of Macedonian communities in the United States and throughout the world. On behalf of the close to half a million Americans of Macedonian

heritage, we work to foster unity, promote Macedonian culture and heritage, advance the interests of the Macedonian-American communities, and strengthen the U.S.-Macedonia bilateral relationship.

Thank you for the opportunity you have provided the United Macedonian Diaspora to submit this testimony.